

Chronological listing of memorandums for Board of Trustees:

TAB A - 15 October 1970 - Memorandum for: Board of Trustees,
Educational Aid Fund
Subject : Discussion Items

TAB B - 16 November 1970 - Memorandum for: Members of the Board
of Trustees, Educational
Aid Fund

TAB C - 23 November 1970- Educational Aid Fund, Meeting of the Board of Trustees

TAB D - 5 April 1971 - Memorandum for: Board of Trustees,
Educational Aid Fund
Subject : Criteria for EAF Awards

TAB E - 14 April 1971 - Educational Aid Fund, Meeting of the Board
of Trustees

TAB F - 27 May 1971 - Educational Aid Fund, Meeting of the Board of Trustees

TAB G - 3 May 1972 - Educational Aid Fund, Meeting of the Board of Trustees

TAB H - 6 June 1972- Educational Aid Fund, Meeting of the Board of Trustees

TAB I - 19 May 1975 - Educational Aid Fund, Board of Trustees

TAB J - 13 September 1976 - Memo to DD/Pers

TAB K - 18 March 1977 - Memorandum For: Chief, PAB
Subject : Reports of 1976 Audits

Tab L - 5 May 1977 - Memorandum for: Executive Secretary, Educational
Aid Fund
Subject : Financial Statements for May
Board Meeting

15 October 1970

MEMORANDUM FOR: Board of Trustees
Educational Aid Fund

SUBJECT : Discussion Items

1. I hope soon to set a time for a meeting of the Board to discuss the following items:

a. The Executive Secretary and I have discussed the question of changing payments made to the winners of our scholarship awards from grants to loans. The loans would be repaid after the recipients' graduation. Coincidentally, I received from Tom Karamessines a memorandum sent to him by [REDACTED] which also suggested converting EAF grants to loans. A copy of that memorandum is attached.

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b. I will also want your views on whether we should invite applications specifically for the Wisner Scholarship Award. As you know, this grant is not based on financial need but, rather, on overall ability, achievement, and potential. Yet, all of the publicity material sent to Agency employees describing the application process is geared to the question of need. Consequently, applications received and which eventually are considered for EAF grants come from those Agency employees who believe they have a financial need for turning to EAF. Should we, in our publicity material, make it clear that an individual can apply solely for the Wisner Award? One obvious risk inherent in this approach is that the number of applications received will increase.

c. Also attached is a memorandum from an Agency employee who suggests that the scope of EAF be expanded to include assistance to Agency employees for children with special problems and learning difficulties.

2. Attached for your information is a statement summarizing our grants by Directorate, by grade, by number of dependents, by dollar amounts, and by age groupings.

[REDACTED]
John A. Fross
Chairman

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Attachments

INTERNAL USE ONLY

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29 September 1970

MEMORANDUM FOR: Deputy Director for Plans

SUBJECT : Proposed Changes in the Agency
Educational Aid Fund

Tom,

As the time is upon each of us to make his decision on charitable contributions, I am reminded of your especial plea and the especial plea on announcement boards for support of the Agency Educational Aid Fund. I would like to set forth my own feelings in this regard, which may possibly be shared by others, as background for a suggested change in the procedures governing the fund which would make it more appealing to me as a prospective recipient of my contributions.

I have difficulty in justifying contributions to the EAF when measuring it against the tremendously compelling charities dealing with overpopulation and psychiatric help and legal aid to the poor. In an open society where I have managed to succeed, charity in its true sense means giving to the latter institutions and not making outright gifts to the children of employees of the Agency, an institution unique and remarkable in that it is made up entirely of exceptionally capable staff characterized by initiative, flexibility, and brains who by inference provide a better-than-average climate in which their children are brought up. I have therefore made only a token contribution to the EAF.

I believe, however, a change could be instituted in the EAF which would make it compare more favorably with what to me are true charitable causes. I recommend the EAF provide scholarship awards on a loan basis to be repaid in full by recipients. I believe that the children of such a capable group as the Agency employees can expect to compete for a livelihood on a better-than-average basis in the world

which they enter upon completion of their education, and thus the return of the loan that educated them would not be an undue burden. My strong belief that this is practicable stems in part from the knowledge that the Air Force Aid Society, an unofficial organization devoted to providing educational loans to deserving children of enlisted men of the Air Force in much the same way EAF does, has a near perfect record of paid-back loans. I would judge the children of enlisted men of the Air Force as a group to be in general a less well qualified group to pay back loans than the children of Agency employees. I believe the Army and Navy are supported by similar organizations.

Should the EAF convert to a loan basis in lieu of grants, I would find it a more attractive charity as I would feel that the money I gave was being used again and again year after year. STATINTL



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16 November 1970

MEMORANDUM FOR: Members of the Board of Trustees
Educational Aid Fund

1. I believe that the Board should give thought to the present criteria for awarding grants and also the kinds of grants that should be made. These two questions are obviously interrelated and involve some rather complicated factors and concepts.

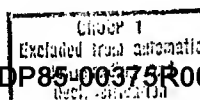
2. In making awards it is now the practice to balance such criteria as need, self help, academic achievement and individual attitude and motivation as evidenced primarily by the essay but also by school assessments or reports from teachers, etc. Need has been generally emphasized as perhaps the most important element in the selection process although Matt Baird and others have felt that self help is a very important criterion.

3. There has been some dissatisfaction with the definition of "need." We have been using the so-called Princeton formula which has the advantage of a quasi-official standing and hence a general acceptability as objective and more or less universal. For a number of reasons, however, this formula is not necessarily entirely relevant to our selection process. For one thing, a basic objective of our Fund is to encourage and support employee morale. The Princeton formula is designed to help educational institutions decide which applicants deserve financial assistance. Our problem is to decide which employees we want to help.

4. The criteria other than need, such as academic achievement, intellectual ability, degree of self help, etc., appear to me to be reasonably established. Even here, however, we have been dealing, somewhat ad hoc, with a number of imponderables and have established precedents which may or may not be wholly logical or acceptable as time goes on. For example, we have dealt with the problem of whether awards should be given only once or whether recipients of awards in one year should be considered for another year or for all

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years of their college careers and, if so, on what basis. We have given some thought to the desirability of encouraging or discouraging certain educational objectives. For example, I remember at least one occasion on which we advised an applicant that he or she would be better advised to undertake vocational training rather than a college course in the humanities. The problem of ethnic origin has come up from time to time as a factor which should be given weight in the selection process. The service record of parents has been a factor, at least in discussions, and length of employment has become a recognized factor in selecting applicants.

5. I suggest that we discuss the over-all question briefly at the meeting of the Board scheduled for November 23rd. In view of its complexity, however, I believe that a committee should be appointed to conduct a thorough review of the whole problem of the criteria appropriate for awards from the Fund.

6. A related question, which I think a committee should also consider, is the degree to which we are going to have different kinds of awards which involve the application of different kinds of criteria. We now have the Wisner scholarship as an exception to the general rule that need will be an important criterion for an award. Income from the principal fund established in Frank Wisner's memory is adequate, or will shortly be adequate to make up one or two awards annually. I think that the Wisner scholarship, as a concept, is pretty well established and involves commitments to the Wisner family and others which it would be very difficult to change or repudiate.

7. There are, however, already principal funds, aggregating approximately \$21,000, which provide income which is not committed to the Wisner scholarship fund. As time goes on other individuals will contribute funds and some perhaps will make substantial contributions. A question arises as to whether scholarships should be granted in the name of these contributors and, if so, whether the normal criteria should apply in the selection of awards from these other funds or whether, as was the case in the Wisner fund, special criteria should be established.

8. Mr. McCone has indicated a willingness to contribute approximately \$50,000 and also to undertake a fund-raising campaign which is now scheduled to begin in New York in February. This is gratifying news but it underlines the importance of having a clear-cut program and definition of eligibility for recipients of funds before we go much further with our fund-raising activities.


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9. Another example of the possibilities for proliferating the kinds and characters of grants is the current proposal (which I strongly support) to find some way of identifying Matt Baird's name with the allocation of grants.

10. The problem seems to me further confused by the proposal to make distributions of funds to applicants by way of loans rather than grants. This suggestion, in my opinion, has considerable merit. On the other hand, it raises a question as to whether all funds available from all sources should be treated as loans or whether there should be some grants and some loans and, if so, how these differing kinds of awards should be distinguished. It would be difficult, it seems to me, to change the Wisner grants at this time from grants to loans. One suggestion has been to have all income which results from annual contributions from employees awarded on the basis of loans and all income attributable to all capital contributions awarded as outright grants. If this proposal were accepted, it would still be necessary to develop some basis for distinguishing between awards attributable to the Wisner fund and those attributable to all other present or future capital funds.

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JOHN A. BROSS
Chairman

cc: Mr. Robert Bannerman
Mr. 
Mr. Hugh Cunningham
Mr. Carl Duckett
Mr. Thomas Karamessines
Mr. Cord Meyer
Mr. R. J. Smith
Col. L. K. White

Mr.  Executive Secretary ✓

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EDUCATIONAL AID FUND
Meeting of the Board of Trustees
23 November 1970

PRESENT:

John A. Bross, Chairman

[REDACTED]
Hugh Cunningham

Carl E. Duckett

Cord Meyer, Jr.

R. J. Smith

Colonel L. K. White

John W. Coffey

Lawrence R. Houston

[REDACTED] Executive Secretary

1. After calling the meeting to order, the Chairman initiated a discussion of the appointment of a new Chairman. He moved the appointment of Mr. Lawrence R. Houston, effective 1 January 1971. The motion was seconded by Colonel White and unanimously carried.

2. The Executive Secretary presented the financial statement, noting that the capital fund now amounts to \$48,765. In addition, the sum of \$20,742.06 has been collected to date from employees during the fund drive.

3. The Chairman then asked [REDACTED] to summarize his activity in developing the EAF Fund Drive Campaign. [REDACTED] indicated that this year, new forms of publicity had been developed, including posters, brochures, and messages with pictures from office heads prominently displayed in offices. To assist him in developing this year's fund drive, [REDACTED] had used [REDACTED]. Overall, [REDACTED] felt that the new ideas developed this year could be used to even greater advantage next year, and that even more funds would be received. The Chairman expressed gratitude to [REDACTED] and all others who worked with him in conducting a successful campaign.

4. Earlier this year, the Board had instructed the Executive Secretary to look into the question of lotteries as a source of funds for EAF. The Chairman reported that this investigation has been completed and he asked the Executive Secretary to make the report. Highlights of this investigation, which included personal visits and talks, are as follow:

a. Great Falls Volunteer Fire Department: A raffle is run each fourth of July with a new car as first prize. The Fire Chief indicated that he never sought approval from anyone and has never been bothered by the police.

b. Headquarters Fairfax County Police: A discussion was held with a Sergeant in the office of Chief of Police. During this conversation, we were given samples of raffle tickets sold by the Fairfax Legal Secretaries' Association. The Sergeant indicated that the Fairfax County Police do not bother anyone who conducts a raffle, so long as it is run by a non-profit organization for a worthy cause. He considers EAF a worthy cause.

c. Visits to Federal buildings: The Pentagon Athletic Association conducts a quarterly raffle. A raffle is conducted in the Officers' Athletic Area with donations to be given to the consolidated fund drive. We were told that this raffle has been conducted for the past six years and was approved by the Office of Comptroller, Department of Defense. The State Department Recreation Association also runs a cash raffle. The National Security Agency permits several raffles to be conducted on the premises.

d. We talked with the GSA building manager at the Headquarters building. While he could not give formal approval for a raffle, the manager indicated that if a raffle was run for EAF (or even EAA), he would turn his head and not know that such a thing was taking place.

e. The Office of General Counsel has indicated that since raffles are taking place in Virginia and in Federal buildings, there would be no objection to this form of fund raising.

5. The Chairman and other Board members then discussed these results and agreed that a summary would be prepared for Colonel White, who would discuss our conducting a lottery with the Director.

6. The Chairman then initiated a discussion of available EAF funds and the prospect for additional funds. He noted that Mr. McCone has agreed to contribute \$50,000. In addition, Mr. McCone has agreed to host a meeting on 10 February 1971 of a select group of individuals formerly associated with OSS, CIA, and others interested in intelligence activities. The Director is enthusiastic about such a meeting and he will talk to this group, approximately 15 or 20, on the matter of financial support for EAF. This will be an informal, exploratory meeting.

7. The Chairman also reported that Mrs. Wisner has indicated her plan to contribute additional funds, perhaps \$10,000 to the Wisner capital funds.

8. The Chairman indicated that with existing funds and the promises of even more money coming in, EAF may reach the point where its capital will be substantial. In turn, this leads to a need to review existing criteria for disbursement to applicants. Toward this end, he suggested establishing a subcommittee of the Board to examine fully the various questions raised in his memorandum of 16 November 1970, copy attached, as well as to develop criteria to be used in disbursing funds to applicants for assistance. The Board spent some time in discussing the various questions that such a committee might examine and unanimously endorsed the Chairman's suggestion. The committee will consist of Mr. Cunningham, [REDACTED] and the Executive Secretary and will report to the Board by 15 January 1971. STATINTL


9. The next item of business was the Chairman's memorandum of 15 October 1970, copy attached.

a. On the question raised in paragraph (a) of that memorandum, converting grants to loans. Colonel White and other Board members expressed some concern that such a change should not be made with the money received from employees during this year's fund drive, since it represents a change of ground rules. After discussion, it was agreed that this item, i. e., loans instead of grants, would also be reviewed by the subcommittee and that there would be no change for the coming selections. The money collected during this year's campaign will be distributed next spring as grants.

b. On the matter of the Wisner Scholarship Award raised in paragraph (1b), it was agreed that there would be no change this year. The subcommittee will also look into this matter. The Executive Secretary was instructed to include some information concerning the Wisner Scholarship Award in literature distributed to Agency employees.


c. There was some discussion concerning the item raised in paragraph (1c), i. e., expanding the scope of the EAF to include assistance to Agency employees for children with special problems and learning difficulties. Various Board members had reservations about changing the current EAF by-laws and felt that no change should be made until EAF acquires more money. It was felt also that the EAF should not dilute its capability to assist college-oriented children; further, it was felt that this kind of problem represented therapy more than education and would require an entire new set of criteria and policies. Colonel White expressed the thought that the type of need raised by the employee might be a better one for PSAS to handle. The Board agreed to defer action on expanding the scope of EAF and asked the Executive Secretary to meet with the employee to discuss the Board's position and to explore other types of assistance with him.

10. The Board then discussed an analysis of grants made since 1965 which showed distribution by directorate, by grade, by number of dependents, and by dollar amount (copy attached). Although the trustees acknowledged that this information by itself did not permit specific conclusions to be made, there was some expression of concern about the number of grants made at the 13, 14 and 15 level in comparison to the 12 and below levels. Since the data could be misinterpreted, the Chairman stated that he did not intend to release this information and certainly would not give it to the invited guests at the February meeting. He did solicit suggestions from the trustees as to case histories which might be of interest at that meeting. He invited each trustee to give the names of EAF recipients to the Executive Secretary with some case history for possible use at the February meeting.


Executive Secretary

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STATINTL APPROVED:


John A. Bross
Chairman, Board of Trustees

22 Dec 1970
Date